

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6120

BILL NUMBER: SB 53

NOTE PREPARED: Nov 16, 2005

BILL AMENDED:

SUBJECT: County Option Surcharges on State Park Fees.

FIRST AUTHOR: Sen. Nugent

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a county containing a state park, forest, game preserve, recreation area, or reservoir to impose a 5% surcharge on fees collected within the park, forest, game preserve, recreation area, or reservoir. It requires that proceeds of the surcharge be used to assist a unit of local government that provides police protection, fire protection, emergency medical services, or road repairs to the park or other area. It also provides that the surcharge may not be collected on property owned by the United States Army Corps of Engineers unless approved by the Army Corps of Engineers.

Effective Date: July 1, 2006.

Explanation of State Expenditures: The Department of Natural Resources (DNR) must report and pay the surcharge to the county treasurer. This provision will increase administrative expenditures for the DNR by an indeterminable amount.

Explanation of State Revenues: The DNR collects approximately \$11.9 M annually in fees as defined in the proposal (not including property owned by the Army Corps of Engineers). If those DNR collections were subject to the 5% surcharge, the DNR would collect an estimated \$596,000 to distribute to local units. An additional \$208,728, or 5% of \$4.1 M, would be collected if the U.S. Army Corps of Engineers approved of the surcharge on federal property, which basically consists of reservoirs. These estimates were based on 2005 revenue collections for entrance fees, permits, cabin rentals, and camping, but not for fees collected by concessionaires and other user fees, such as boat rentals.

The 5% increase could initially reduce current fees collected by the DNR if some customers are unwilling to

pay an increased fee.

Explanation of Local Expenditures: The bill provides that a county containing all or part of a state forest, game preserve, park, recreation area, or reservoir under the jurisdiction of the DNR may adopt an ordinance to impose a surcharge on all fees collected by the DNR within a state forest, game preserve, park, recreation area, or reservoir. The county fiscal body must notify the DNR director of the adoption of the ordinance. The DNR must report the surcharge collected on forms approved by the county treasurer. These provisions could increase county administrative expenses. However, costs are expected to be minimal, and counties should be able to cover any additional costs given their existing budgets.

The surcharge proceeds must be used to assist a unit of local government that provides police protection, fire protection, services of emergency medical technicians, or road repairs to the DNR property.

Explanation of Local Revenues: Counties containing DNR properties would be eligible to assess a 5% surcharge on fees collected by the DNR. If a state forest, game preserve, park, recreation area, or reservoir is located in two or more counties, the total surcharge remains at 5%. If only one county adopts an ordinance, all of the surcharge proceeds must be distributed to that county. If more than one county adopts an ordinance, the DNR must apportion the proceeds among the adopting counties. The share of each adopting county will be based on the ratio of the area of the state forest, game preserve, park, recreation area, or reservoir contained within the adopting county, as determined by the DNR, to the total area of the state forest, game preserve, park, recreation area, or reservoir.

"Fees" include entrance fees; rental fees, including fees for campsites and shelters; and the fee for an annual pass or a Golden Hoosier Passport purchased at a state forest, game preserve, park, recreation area, or reservoir. The term does not include amounts paid for food, lodging, or gift shop purchases at a state park inn or other facility operated by a contractual vendor.

If DNR properties were subject to the surcharge, local units would receive an estimated \$596,000 annually for state properties with an additional \$208,728 if federal properties are included. These figures assume current fee collection rates.

State Agencies Affected: DNR.

Local Agencies Affected: Counties and local units of government that provide police protection, fire protection, emergency medical services, or road repairs to DNR properties.

Information Sources: DNR.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.